REGIONAL TRANSIT AUTHORITY

RESOLUTION NO. 81 (Amended)

A RESOLUTION of the Board of the Regional Transit Authority for the Pierce, King and Snohomish Counties region revising the code of ethics for Board members, officers and employees of the Authority and superseding Resolution No. 20.

WHEREAS, the conduct of official business for the Regional Transit Authority ("RTA") should be subject to the highest ethical standards to ensure public confidence and to protect the public interest; and

WHEREAS, a code of ethics for the guidance of Board members, officers and employees of the RTA is necessary in order to prevent conflicts of interest in public office, to improve the standards of public service and to promote and strengthen the faith and confidence of the citizens in the decision making and operations of the Authority; and

WHEREAS, the Board of the Authority is authorized by RCW 81.112.060 and RCW 81.112.070 to prescribe the duties and responsibilities of its officers and employees, which include the right to establish guidelines for ethical conduct;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Regional Transit Authority as follows:

Section 1. Purposes for Code of Ethics. In keeping with the policies declared by the State Legislature in enacting codes of ethics for state officers and employees and for municipal officers, it is recognized that high moral and ethical standards among public officials and employees are essential to the conduct of government. A code of ethics for the guidance of Board members, officers and employees of the Regional Transit Authority ("RTA") is necessary in order to avoid and prevent conflicts of interest in public office, to improve standards of public service and to promote and strengthen the faith and confidence of the citizens in the RTA. RTA Board members, officers and employees are, therefore,

obligated to treat their offices and duties as a public trust, using their official powers and duties and the resources of the RTA only to advance the public interest. It is expected that Board members, officers and employees of the RTA will conduct their public and private actions and financial dealings in a manner that will present no actual or apparent conflict of interest between the public trust and their private interests. This obligation requires that all RTA Board members, officers and employees devote their best efforts and attention to:

A. Being independent and impartial in the exercise of their duties and avoiding actions that create even the appearance of using their positions for personal gain or private benefit.

B. Strengthening public confidence in the integrity of the RTA's decisions by demonstrating the highest standards of personal integrity, fairness, honesty and compliance with both the spirit and the letter of the law and this resolution.

C. Creating a work environment that is free from all forms of unlawful discrimination and harassment.

D. Managing human and environmental resources for the benefit and enjoyment of both current and future generations.

E. Conducting the public's business openly and, to the maximum extent consistent with existing law, resolving doubtful cases in favor of public access.

F. Serving the public with respect, concern, courtesy and responsiveness, recognizing that service to the public is the primary mission of government.

G. Promoting an environment of public trust free from fraud, abuse of authority and misuse of public property.

H. Protecting the integrity of the decision making process by recognizing and avoiding conflicts between public duties and private interests and activities.

I. Respecting and protecting privileged information to which RTA Board members, officers and employees have access in the course of their official duties including, but not limited to, information provided in lawful executive sessions of the Board.

Section 2. Definitions. The following definitions shall apply for purposes of this resolution:

A. "Board member" means every individual appointed to the Regional Transit Authority pursuant to RCW 81.112.040 whether that individual is paid or unpaid.

B. "Business" means any corporation, partnership, sole proprietorship, firm, enterprise, franchise, self-employed individual, consultant, holding company, joint stock company, receivership, trust or any legal entity organized for profit.

C. "Employee" means a person or persons employed on a full-time continuing basis by the RTA and, for the purpose of this resolution only, shall include part-time, intermittent or temporary workers. The term shall not include persons engaged or retained pursuant to contract to perform consulting or special technical services.

D. "Gift" means any tender of money, property, services, discount, forgiveness, payment of indebtedness, reimbursements from or payments by persons other than the RTA for travel or lodging or anything else of value in return for which legal consideration of equal or greater value is not given and received, excluding:

1. Any contribution under chapter 42.17 RCW (Disclosure - Campaign Finances - Lobbying - Records);

2. Any informational material transferred for the purpose of informing the recipient about matters pertaining to official RTA business, and that is not intended to financially benefit that recipient;

3. Any symbolic presentation not intended to financially benefit the recipient;

4. Items or things of value not used and that, within thirty days after receipt, are returned to the donor or delivered to a charitable organization without being claimed as a charitable contribution for tax purposes;

5. Items or things of minimal value received in the normal course of private business or social interaction that are not related to RTA public policy decisions or actions, such as seasonal gifts, generally available tickets to entertainment or sporting events and occasional meals.

Notwithstanding the above, Board members shall be subject to such limitations or guidelines on gifts as may be imposed by similar codes of ethics, regulations, resolutions, or ordinances of their respective local governments or state agencies. A Board member, officer or employee of the RTA shall not accept gifts of cash in any amount.

E. "Immediate family" means the husband, wife, son, daughter, father, mother, brother, sister, father-in-law, mother-in-law or any other relative living in the Board member, officer or employee's household.

F. "Interest" means any direct or indirect monetary or material benefit accruing to an RTA Board member, officer or employee as a direct result of contracts or transactions which are or may be the subject of an official act or action by or with the RTA, except contracts or transactions which confer similar benefits to all other persons and/or property similarly situated. An employee, officer or Board member shall not be deemed to have an interest in conflict with his or her official duties for purposes of this code if the interest is remote. A "remote interest" means:

1. that of a non-salaried officer of a nonprofit corporation;

2. that of a landlord or tenant of a contracting party;

3. a creditor, debtor or ownership interest of less than one thousand five hundred dollars ($1,500.00) in a business entity which is a contracting party or as a holder of

less than one percent of the shares of a corporation or cooperative which is a contracting party, whichever is less.

G. "Officer" means an individual appointed to serve the RTA in an executive capacity or who otherwise is hired, appointed or retained by the RTA to fill an office of special authority or trust for the RTA.

Section 3. Improper Use of Public Property. No person, except when acting on behalf of the RTA, shall use or possess any property unless such use is available to the public generally. The use of RTA-owned vehicles after hours and for transportation to a Board member's, officer's or employee's residence shall not be deemed improper under the following circumstances:

A. Board members, officers or employees who are subject to call-out for RTA business; and

B. Board members, officers or employees who are regularly required to work more than a forty-hour work week, without extra compensation, provided such use is authorized by the Chair of the Board or the Executive Director; and

C. Board members, officers or employees authorized to attend professional and/or work-related meetings, classes, seminars, conferences, testimonials or ceremonies in which the Board member, officer or employee travels out of town on RTA business.

Notwithstanding the foregoing, those Board members, officers and employees who are allowed to use RTA property may do so only for the particular purposes for which authorization is made to advance the interests of the RTA.

Section 4. Conflicts of Interest. No Board member, officer or employee of the RTA shall engage in any act which is in conflict with the performance of his or her official duties for the RTA or knowingly use his or her office or position for personal or immediate family

gain or profit. A Board member, officer or employee shall be deemed to have a conflict of interest if the Board member, officer or employee engages in any of the following activities:

A. Solicits or receives any retainer, gift, loan, entertainment, favor or other thing of monetary value from any person or entity if the employee, officer or Board member knows or has reason to know that such person or entity:

1. has or is seeking to advance or obtain contractual or other business or financial relationships with the RTA; or

2. conducts operations or activities which are regulated by the RTA; or

3. has interests which may be substantially affected by the Board member's, officer's or employee's performance or non-performance of his or her official duties for the RTA.

B. Receives or has any financial interest in any sale or lease to the RTA of services, materials, equipment or property when such financial interest is received with the prior knowledge that the RTA intends to purchase, lease or contract for such services, materials, equipment or property.

C. Participates in his or her capacity as a Board member, officer or employee of the RTA in the making of a contract in which he or she has a private pecuniary interest, direct or indirect, or performs in regard to such a contract some function requiring the exercise of discretion on behalf of the RTA.

D. Influences the RTA's selection of, or its conduct of business with, a corporation, person or firm having business with the RTA if the Board member, officer or employee has financial interest in or with the corporation, person or firm.

E. Engages in, accepts private employment from or renders services for private interests when such employment or service is incompatible with the proper discharge of

official duties or would tend to impair independence of judgment or action in the performance of official duties for the RTA.

F. Appears on behalf of a private person, other than his or herself or an immediate family member or except as a witness under subpoena, before any regulatory governmental agency or court of law in an action or proceeding to which the RTA or an RTA member in an official capacity is a party, or accepts a retainer or compensation that is contingent upon a specific action by the RTA.

G. Discloses or uses, without legal authorization, confidential information concerning the property or affairs of the RTA in such a way as to benefit himself or herself or a member of his or her immediate family with respect to any contract or transaction which is or may be the subject of official action of the RTA.

H. Has a financial or personal interest in any legislation, action or decision coming before the RTA and participates in discussion with or gives an official opinion to the RTA unless: (1) the Board member, officer or employee discloses on the record of the RTA the nature and extent of such interest or makes a good faith effort to comply with the disclosure requirement, and procedures in Section 8; and (2) it is confirmed that a conflict of interest does not exist or such interest is determined by the RTA to be immaterial.

I. Takes any action in the course of his or her official duties for the RTA in regard to providing service to specifically benefit the regulation or development of property or of a private business or enterprise in which the Board member, officer or employee holds an interest in, directly or indirectly, for purposes of personal financial gain, investment or speculation, provided that this prohibition shall not apply to:

1. real property devoted to the personal use or residence of the Board member, officer or employee or a member of the Board member, officer or employee's immediate family;

2. any other interest in real property held by the Board member, officer or employee on the date of enactment of this resolution.

J. Participates in a transaction involving the appointment, termination of appointment, promotion, demotion, discipline, approval of a salary increase or decrease or the supervision of the work of a member of their immediate family or any other person in whom the Board member, officer or employee has a financial interest.

Section 5. Political Activities.

A. Each RTA officer and employee may, on his or her own time:

1. Register and vote in any election.

2. As an individual, privately and publicly express an opinion on political subjects and candidates.

3. Be a member of a political party and participate in its activities consistent with this resolution.

4. Sign a political nomination or recall petition as an individual.

5. Make a financial contribution to a political party or candidate.

6. Be politically active in connection with constitutional amendments, referenda or issues of a similar character.

7. Display bumper stickers, posters or pamphlets on his or her private property for the endorsement of candidates and issues.

B. RTA officers and employees may not:

1. Use any official authority or influence for the purpose of interfering with or affecting the result of an election, nor solicit or receive funds or contributions from other officers and employees for political purposes.

2. Display campaign materials, pamphlets, and buttons on RTA vehicles or RTA property. Bumper stickers and posters may be displayed on private vehicles parked in officer or employee areas.

3. Use an official RTA title or designate employment with the RTA in political advertisements, endorsements or speeches.

4. Participate in activities permitted in subparagraph A. of this section when a officer or employee is on duty, is on RTA property or is wearing a uniform normally identified with the RTA.

C. Board members shall foster an environment where Sound Transit officers and employees can provide objective counsel to Sound Transit Board members. Board members shall comply with applicable provisions of state law concerning political activities including, but not limited to, Chapter 42.17 RCW.

Board members and their agents shall not solicit funds or in-kind contributions from Sound Transit officers or employees for political purposes except as part of general campaign solicitation made to the general public (e.g., mass mailings) in which (a) the employee or officer is not specifically identified for solicitation, and (b) the board member does not participate in the solicitation and is not informed of the result of the solicitation. Board members shall not accept more than $250 in campaign contributions from a Sound Transit officer or employee. Restrictions on Board member solicitations are not intended to restrict Sound Transit's officers' and employees' right to engage in the permitted political activities listed in Section 5.A. or otherwise guaranteed by law, including unsolicited financial contributions to support a Board member's political campaign.

Section 6. Conduct of Board Members, Officers and Employees. Board members, officers and employees will conduct themselves according to the following rules of conduct as they pertain to their public service for and on behalf of the RTA:

A. Board members, officers and employees shall maintain decorum in meetings and set an example of exemplary conduct when the Board member, officer or employee represents the RTA. Board members, officers and employees shall conduct themselves so as not to bring disgrace or embarrassment upon the RTA and the member governments and citizens to whom they are responsible.

B. Board members, officers and employees shall always represent that opinions stated are the Board member, officer or employee's own and do not necessarily represent those of the RTA unless the RTA has voted and passed a resolution or motion that so states or clearly supports the expressed policy.

C. No Board member, officer or employee shall willfully make any false statement, certificate, mark, rating or report or in any manner commit any fraud, conceal any wrongdoing or knowingly withhold information about wrongdoing in connection with employment with the RTA or in connection with the work-related conduct of any RTA Board member or employee.

D. Board members, officers and employees shall devote their best efforts and attention to maintaining honest, open and civil communications at all levels of the RTA and with the public.

Section 7. Waiting Period for Former Board Members, Officers and Employees. No former Board member, officer or employee shall, during the period of one year after leaving RTA service:

A. Disclose or use any information gained by reason of his or her RTA service or employment for his or her gain or anticipated gain, or for the gain or anticipated gain of any

person, unless the information is a matter of public knowledge or is available to the public on request.

B. Assist any person in proceedings involving an agency with which the former Board member, officer or employee was officially involved on behalf of the RTA while an RTA Board member, officer or employee; provided, that this requirement shall not be deemed to limit Board members in representing the interests of their respective local governments or state agencies.

C. Represent any person as an advocate in any matter in which the former Board member, officer or employee was officially involved while an RTA Board member, officer or employee.

The prohibitions of paragraphs B. and C. of this section shall not apply to former Board members, officers and employees acting on behalf of the RTA or on behalf of another governmental agency unless such assistance or representation is directly adverse to the interests of the RTA.

Section 8. Disclosure. In order to ensure that the personal and financial interests of Board members and officers present no actual or apparent conflicts of interest, the following procedures shall be used to disclose such interests:

A. In the event any legislation or other matter in which a Board member or officer has a personal or financial interest comes before the RTA Board or its standing committees for action or recommendation, the Board member or officer shall promptly disclose the general nature and extent of such interest on the record of the meeting prior to any discussion or vote on the legislation or matter. Such disclosure shall include, but not be limited to, the following information:

1. The name and address of any private business, corporation, firm or enterprise affected by such RTA action of which the Board member or officer is or has been

during the preceding twelve (12) months a shareholder, bond holder, secured creditor, partner, joint entrepreneur or sole proprietor, whenever the total value of his or her individual or undivided legal and equitable financial interest therein is and at any time during the preceding twelve (12) months has been in excess of one thousand five hundred dollars ($1,500.00).

2. The name of any such private business or corporation, firm or enterprise of which such Board member or officer or his or her relatives are or have been during the preceding twelve (12) months the officer, director, partner, attorney, agent, or employee, who, for services rendered during such preceding twelve (12) months or to be rendered in any such capacity, has received or has been promised compensation in excess of one thousand five hundred dollars ($1,500.00).

3. The office or directorship held by the Board member or officer or his or her spouse in any corporation, partnership, sole proprietorship or like business enterprise, which is proposed to conduct business with the RTA or is subject to any regulation or control by the RTA and from which the Board member or officer has received compensation or has been promised compensation during the preceding twelve (12) month period in excess of one thousand five hundred dollars ($1,500.00), or services or any other thing of value in excess of said amount.

4. The address and general description of any and all real property located within the RTA boundaries in which the Board member or officer has any interest whatsoever, as owner, purchaser, optionee, optionor, or any other proprietary interest, when a decision by the Board would effect the value, development or use of the property. This subsection shall not apply to the residence home of such Board member or officer.

The foregoing provisions shall not apply to policies of life insurance issued to such Board member or officer or to his or her spouse or to members of his or her family, accounts

in any commercial bank, savings and loan association or credit unions, or similar financial institutions subject to regulation by the State of Washington or any other governmental agency having jurisdiction thereover. A Board member may satisfy these provisions by submitting reports of financial affairs filed pursuant to Chapter 42.17 RCW if such reports identify the interest covered by this Section.

B. If a conflict of interest is confirmed, the Board member shall disqualify himself or herself from discussion or voting upon the legislation or matter, and an officer shall refrain from discussion or recommendation concerning the legislation or matter, if discussion or voting thereon would constitute a conflict of interest, or apparent conflict of interest, as described in this section or violate any other governmental law or regulation. Any Board member or officer who is disqualified by reason of such conflict of interest shall, after having made the required disclosure set forth above, remove himself or herself from his or her customary seat during such debate and leave the Board chambers until such time as the matter at hand, from which such Board member or officer has been disqualified, has been disposed of in the regular course of business. Any action taken by the Board or a committee related to such interest shall be by a vote sufficient for the purpose without counting the vote of the Board member having the interest.

C. If a Board member is uncertain whether he or she may have an actual or apparent conflict of interest concerning any legislation or other matter which is proposed for discussion, action or recommendation by the RTA Board or one of its standing committees, the Board member shall refrain from communicating with other Board members concerning the legislation or matter unless:

1. Such conflict has been disclosed as provided above at a public hearing of the RTA Board or a standing committee and resolved by the chair of the meeting; or

2. Legal counsel of the RTA has been advised of the basis for the questioned actual or apparent conflict and has determined that no conflict of interest as defined by this resolution exists which would either require disclosure or deferral of any discussion, action or recommendation.

D. If, during the course of discussion of legislation or other matters by the RTA Board or a standing committee, a Board member or officer concludes that his or her continued participation may constitute an actual or apparent conflict of interest which was previously unanticipated, he or she shall promptly inquire of the chair of the meeting or RTA legal counsel, if in attendance, whether or not disclosure as provided by this section is appropriate or required and proceed as directed by the chair or legal counsel. The discovery and disclosure as provided herein of a previously unanticipated and unintended conflict of interest by a Board member or officer during his or her discussion of legislation or other matters pending before the Board or a standing committee shall not disqualify the Board or committee from subsequently taking an action or making a recommendation.

Section 9. Enforcement, Penalties and Public Disclosure. The following procedure will be implemented by the Executive Committee of the RTA when an alleged violation of this resolution occurs:

A. Any person who believes that an employee, officer or Board member of the RTA has violated these ethics rules shall submit a written statement of the purported violation to the Board Administrator of the RTA. The allegation must set forth specific facts with precision and detail, sufficient for determination of sufficiency by the RTA. In addition, the complaint must set forth the specific sections and subsections of this resolution that the facts violate, and the reasons why. Each complaint must be signed by the person or persons submitting it, must state the submitter's correct name, address at which mail may be

personally delivered to the submitter, and a telephone number at which the submitter may be contacted.

B. The Board Administrator of the RTA shall submit that complaint to the RTA's legal counsel for determination of sufficiency of the complaint and shall also forward a copy to members of the Executive Committee for their information. A complaint cannot be sufficient unless it precisely alleges and describes unjustified acts which constitute a prima facie showing of a violation of a specified provision or provisions of this resolution. The purpose of requiring that the complaint be sufficient is to ensure that the complaint is supported by identifiable facts, and to ensure that the complaint is not based on frivolous charges. Legal counsel shall submit a written report with a finding of sufficiency or insufficiency within ten (10) days of receipt of the written complaint to the Executive Committee. The determination shall be final and binding, and no other administrative or other legal appeal is available. If the finding is one of sufficiency of the complaint, then the complaint shall be investigated and reported by the Executive Committee as set forth below. If the purported violation involves a member of the Executive Committee, then the Chair of the Board shall substitute another member to sit in that member's place for purposes of inquiry into the complaint.

C. The Executive Committee shall review a complaint involving Board members or officers that is determined to be sufficient by legal counsel. The Executive Committee shall come to one of the following conclusions:

1. There is insufficient evidence to conclude that any particular violation has occurred. In this case, the Committee shall keep its records confidential to the extent allowed by state law.

2. There is sufficient evidence to conclude that there may have been a violation, in which case the Committee shall call for full review by the Executive Committee of the RTA with the assistance of legal counsel.

D. If the Executive Committee concludes there may have been a violation, the Executive Committee shall conduct such further review as is necessary to determine if a violation occurred and to classify any violation as major or minor. The Executive Committee may discuss such determinations in executive session.

1. If the Executive Committee determines that a minor violation has occurred, it shall pass an appropriate motion of caution, reprimand or censure at a public meeting. The violator shall have the right at a public meeting to provide a response to the determination and to request reconsideration.

2. A major violation shall result in a public hearing by the Board. The Executive Committee shall select one of its members to present its findings at the hearing. The violator shall neither conduct the meeting during the hearing nor shall he or she present the findings. The Executive Committee shall give the accused officer or Board member adequate time to prepare a case and to present the case at the public hearing. Both the Executive Committee and the accused officer or Board member shall present their own cases but they may be accompanied by counsel during the proceedings. The Executive Committee's presenter and the accused may offer witnesses who shall present their evidence upon oath. After hearing the evidence, the Board shall determine whether there was sufficient evidence to support its determination that a major violation occurred and, if confirmed, may direct a remedy or sanction or may delegate that decision to the Executive Committee.

If the Board determines that a Board member has committed a major violation, they also shall submit their determination to the legislative body that appointed the Board member

and to the legal counsel for the RTA to determine if there is the basis for any civil action to compel restitution or removal for that violation.

With respect to violations by officers, the Board may direct a remedy or sanction or penalize the officer by suspension, demotion or termination in a manner commensurate with the violation and consistent with applicable law and any employment agreements or may delegate that decision to the Executive Committee.

E. The Executive Committee or the Board, in the conduct of any hearing or proceeding within its power, may make reasonable orders necessary for the protection of individuals who may be incorrectly accused or who may be disproportionately harmed by premature disclosure, provided, however, that no such order shall have the result of precluding any enforcement agency from taking action within its own jurisdiction.

F. Any sufficient complaints regarding RTA employees shall be referred to the Executive Director, who shall investigate the complaint and take appropriate action. All actions related to complaints about RTA employees shall be in accordance with any Board-approved personnel policies and procedures and applicable employment contracts and shall be reported to the Executive Committee.

Section 10. Procurements.

A. The RTA intends to conduct its procurements for work and for professional services with integrity, fairness and openness. RTA Board members, officers and employees involved in RTA procurements, shall not act or fail to act in any way which compromises the fairness of RTA procurements or which creates actual or apparent conflicts of interest. Board members, officers and employees are expected to use good judgment and to act in accordance with RTA policies, applicable law and the best interests of the RTA. The contract administrator for each procurement shall be the focal point for receiving and responding to communications from the public, potential bidders or proposers

and other government staff and Board members concerning the procurement unless otherwise approved by the Executive Director.

B. RTA Board members, officers and employees directly involved in an RTA procurement process promptly shall identify any past or current personal, financial or business relationship with any firm, or principals associated with a firm, which submit bids or proposals to the RTA. Disclosure shall be made to the contract administrator for the procurement who will review the issue with the Executive Director. Determination of the appropriate response, if any, shall be made by the Executive Director with advice of legal counsel.

C. In the event Board members receive information or requests for information from the public, potential bidders or proposers or other government staff concerning a competitively bid contract or a professional services procurement, the Board member may:

1. Accept the information or inquiry and provide such information as may be available to the Board member or response; or

2. Decline to discuss the information or to respond to the inquiry or complaint and instead refer the matter to the Executive Director.

D. Once a request for bids, request for qualifications or request for proposals is issued by the RTA, Board members, officers and employees are encouraged to decline meetings or informational exchanges with potential bidders or proposers. Requests for meetings or information should be referred to the contract administrator for the procurement.

E. If the information or an inquiry received by a Board member, officer or employee indicates there may have been a violation of applicable laws, regulations, Board policies or administrative procedures, the Board member should promptly refer such complaint, information or inquiry to the Chair for response and officers or employees should

consult with the Executive Director . The Chair may direct the issue to the Executive Director and/or legal counsel for response.

Section 11. Compliance with Law. Board members, officers and employees of the RTA shall comply with all laws and regulations applicable to their service to or employment by the RTA.

Section 12. Implementation. The Executive Director is authorized to adopt additional regulations and guidelines for RTA employees and officers as he or she deems necessary to implement the provisions and policies of this resolution. Inquiries concerning actual or apparent conflicts of interest or the interpretation of the provisions of this resolution or applicable laws shall be directed to the RTA's legal counsel.

ADOPTED by the Board of the Regional Transit Authority for the Pierce, King and Snohomish Counties region this 27 day of February, 1997.

AMENDED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 8, 2005.

John W. Ladenburg
Board Chair

ATTEST:

Marcia Walker
Board Administrator